

not issue notes payable on demand. It was not until after this act that it was seriously attempted to set up a joint stock bank in London. The history of these banks is not a part of the history of banks of issue, but it is an interesting fact that the first was the London and Westminster Bank, which was originally formed as a private partnership and whose manager was Mr. James W. Gilbart, the author of one of the most complete and intelligent works on English banking. Joint stock banks of issue were formed in considerable numbers in the prosperous years preceding the panic of 1836, and more than forty were established in the spring of the latter year. The number issuing notes when the restrictive Act of 1844 took effect was 72, of which only 14 still retain the privilege.

The Bank of England opened its first branches at Gloucester, Manchester, and Swansea. The branches were able to compete on favorable terms with the country banks and to discount bills at four per cent., where the old banks charged five per cent, and sometimes an additional commission. The principal advantage which the country bankers retained was the payment of interest on deposits, but they felt keenly the competition of the branch banks and held a meeting as early as December 7, 1826, to consider it. They adopted resolutions that the establishment of branch banks "have the evident tendency to subvert the general banking system that has long existed throughout the country, and which has grown up with, and been adapted to, the wants and conveniences of the public." A deputation was sent to the Chancellor of the Exchequer, who promised to give serious consideration to their views. Further cause of complaint was found in the stamp duties, which were levied upon the country bank-notes according to value, while a fixed sum was accepted from the Bank of England for their entire issues. The result, according to the country bankers, was to subject them to a tax of £650 on £10,000 where the bank paid only £35. This protest resulted in an act extending the privileges of the Bank of England to the country banks, but the general protests against the branches were